

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Falmouth Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 23, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule maintains the 7.25% investment return assumption from the 2018 valuation and includes a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Alternative 1
7.25% Investment Return
6.31% Total Cost Increasing

Falmouth Retirement System
January 1, 2020 Actuarial Valuation

Total cost increases 6.31% per year until FY32 with a final amortization payment in FY33

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Change in</u> <u>Cost</u>
2021	2,992,587	120,000	6,053,124	9,165,711	77,267,895	
2022	3,127,254	120,000	6,496,814	9,744,067	76,377,843	6.31%
2023	3,267,980	120,000	6,970,938	10,358,918	74,947,404	6.31%
2024	3,415,039	120,000	7,477,526	11,012,566	72,904,760	6.31%
2025	3,568,716	120,000	8,018,742	11,707,459	70,170,708	6.31%
2026	3,729,308	120,000	8,596,891	12,446,199	66,657,983	6.31%
2027	3,897,127	120,000	9,214,427	13,231,554	62,270,521	6.31%
2028	4,072,498	120,000	9,873,968	14,066,466	56,902,661	6.31%
2029	4,255,760	120,000	10,578,299	14,954,060	50,438,273	6.31%
2030	4,447,270	120,000	11,330,391	15,897,661	42,749,822	6.31%
2031	4,647,397	120,000	12,133,406	16,900,803	33,697,340	6.31%
2032	4,856,530	120,000	12,990,714	17,967,244	23,127,319	6.31%
2033	5,075,073	120,000	10,871,509	16,066,582	10,871,509	-10.58%
2034	5,303,452	120,000		5,423,452	0	-66.24%

Appropriation payments assumed to be made on July 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$720,000

FY21 amount maintained at level of current funding schedule